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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 19, 1999

APPLICATION OF

AFFINITY NETWORK INCORPORATED

CASE NO. PUC990098

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 26, 1999, Affinity Network Incorporated ("ANI" or "Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated July 28, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to ANI's application.

On September 29, 1999, Staff filed its Report finding that ANI's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. Accordingly, Staff recommended granting a local exchange certificate to ANI conditioned on the

Company establishing an unaffiliated, third-party, escrow account for any customer deposits, such account to be maintained until such time as the Staff or Commission determines that it is no longer necessary.

A hearing was conducted on October 13, 1999, at which time ANI filed all proofs of publication and proof of service as required by the July 28, 1999, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that ANI should be granted a certificate to provide local exchange telecommunications services subject to the condition that any customer deposits collected by the Company shall be retained in an unaffiliated, third-party, escrow account until such time as the Staff or Commission determines that such third-party escrow account is no longer necessary.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Affinity Network Incorporated is hereby granted a certificate of public convenience and necessity, No. T-465, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

- (2) ANI shall provide tariffs to the Division of Communications which conform to all applicable Commission rules and regulations.
- (3) Should ANI collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.
- (4) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.